

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF VIRGINIA
ABINGDON

UNITED STATES OF AMERICA :

Case No. 1:20CR50

v.

Violation:
18 U.S.C. § 1349

KATHLEEN D. LITTLEFORD

INFORMATION

INTRODUCTION

The United States Attorney Charges that:

1. KATHLEEN D. LITTLEFORD resides at 13434 Stone Drive, Bristol, Virginia 24202. Bristol, Virginia is in the Western District of Virginia.
2. In or about 2018, LITTLEFORD met via online communications an individual representing to be Frank Peterson (hereafter "Peterson").
3. Beginning with this introduction and continuing until the present, LITTLEFORD engaged in an amorous relationship with "Peterson" via online communications including frequent emailing, telephone text message communications, Facebook messaging, and frequent telephone calls (voice-to-voice).
4. "Peterson" made several representations to LITTLEFORD over the course of their relationship including, but not limited to:
 - a. He had made a lot of money in a trade deal in Dubai;
 - b. Those funds were encumbered by the IRS due to taxes he owed to the IRS;

c. He also had a lot of money tied up in stocks;
d. He needed LITTLEFORD's assistance in receiving funds from banking institutions because he could not transfer money himself, due to IRS claims to his accounts.

e. He had fallen in love with LITTLEFORD and was going to marry her, take care of her for the rest of her life, pay off her bills, and provide other material wealth just as soon as he met her in person. "Peterson" promised he would buy LITTLEFORD a Rolls Royce.

5. LITTLEFORD has never met "Peterson" in person. To maintain LITTLEFORD's love and devotion, "Peterson" routinely told LITTLEFORD that he was coming to Bristol to meet with her. However, "Peterson's" plans to travel to Bristol were repeatedly disrupted by various emergencies, including a purported medical emergency that required his extended hospitalization.

6. Premised on "Peterson's" representations and by frequent messages designed to charm LITTLEFORD and entice a reciprocal love and devotion, LITTLEFORD undertook extraordinary measures to comply with "Peterson's" fraudulent financial requests. LITTLEFORD knew that what she was being asked to do was wrong. Despite expressing concern for the propriety of such financial transactions, and on occasion highlighting that her participation in these financial activities were risky and placed her in positions of great scrutiny, LITTLEFORD willingly participated in a financial scheme or artifice devised and orchestrated by "Peterson".

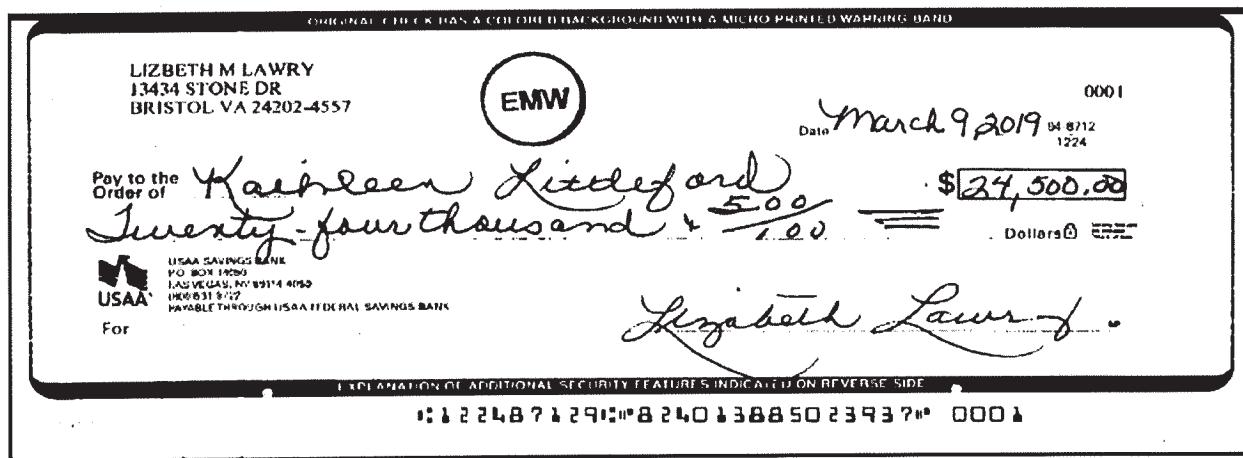
7. In furtherance of the general scheme devised by "Peterson," LITTLEFORD knowingly and willfully engaged in the following conduct:

Citizens Bank

a. On February 28, 2019, LITTLEFORD opened a checking account with Citizens Bank in Bristol, Tennessee. A few days after opening the account, LITTLEFORD asked the bank manager how quickly she could access funds if she deposited a check the ATM.

b. In March 2019, LITTLEFORD received via a commercial interstate carrier a package from "Peterson" containing blank counterfeit checks, purporting to be drawn on an account with USAA Bank in the name of "Lizbeth Lawry". The counterfeit checks listed the home address of "Lizbeth Lawry" as LITTLEFORD's own residence in Bristol, Virginia.

c. On March 9, 2019, using a counterfeit check sent to her by "Peterson", LITTLEFORD forged the signature of "LIZBETH LAWRY" and wrote a check payable to LITTLEFORD in the amount of **\$24,500.00**. LITTLEFORD then deposited the check in the ATM.



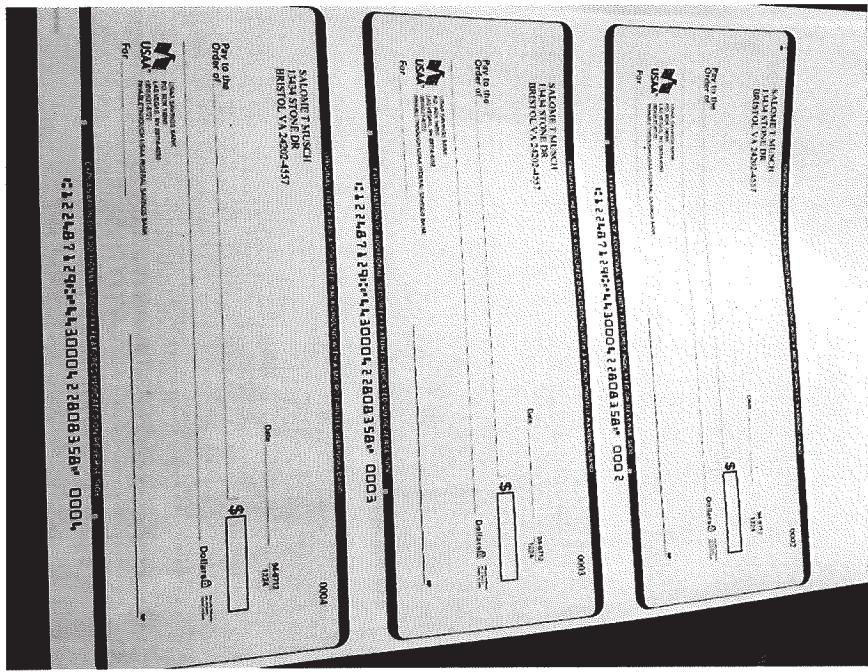
<p>064207946< 20190311 CITIZENS BANK 316 28</p> <p>10372365 523446*2203 ATM0113 #7620 03/09/19 12:18:18 240000</p> <p>ENDORSE HERE X John J. Maynard</p>	
<p>DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE</p>	
<p>THE SECURITY FEATURES INCLUDED WITHIN THIS CHECK EXCEED INDUSTRY STANDARDS</p> <p>SECURITY FEATURES: THE WORD "SECURE" WILL APPEAR IN PROTOCOLES (PRINT) ; ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW (BLUR)</p> <p><064207946> DWNR# 316 TRN# 28 03/11/19</p>	
<p>*FEDERAL RESERVE BOARD OF GOVERNORS REG. CC</p>	

d. Days later, LITTLEFORD withdrew \$1,200.00 in cash from this bank account. Upon notification by USAA that this check was fraudulent, Citizens Bank reversed the deposit, leaving LITTLEFORD's account in an overdrawn status. LITTLEFORD's account was closed in April 2019 based upon LITTLEFORD's fraudulent activity.

e. When initially questioned about this check by federal law enforcement, LITTLEFORD said she had received this check written to her by Lizbeth Lawry, "Peterson's" sister. This statement to federal law enforcement was a false statement and fraudulent misrepresentation. When confronted with the check, and the handwriting consistencies between her endorsement and the signature on the check, as well as the address listed for "Lizbeth Lawry", LITTLEFORD admitted that she had in fact forged the check.

f. This is not the only time LITTLEFORD knowingly forged counterfeit checks on behalf of "Peterson". In February 2020, LITTLEFORD received via a commercial interstate carrier another package from "Peterson" containing blank counterfeit checks, purporting to be drawn on an account with USAA Bank in the name

of "Salome T. Musch". The counterfeit checks again listed the home address of "Salome T. Musch" as LITTLEFORD's own residence in Bristol, Virginia.



g. LITTLEFORD engaged in a series of communications with "Peterson" discussing how she could deposit the check into her bank account. On February 28, 2020, LITTLEFORD discussed with bank employees their policy on accessing funds from checks deposited via the ATM. She then reported back to "Peterson", expressing concerns about depositing the check into the bank:

(owner)
To: +16173567326

There is one thing I am concerned about . Which is this.

About the address on the check under His fiancé name

And if the bank zeros in on that,
And won't accept the check because of that
Then we have to start over.

I wish it had been a cashiers check !!

But I don't make bank policies and rules
Just remember that.

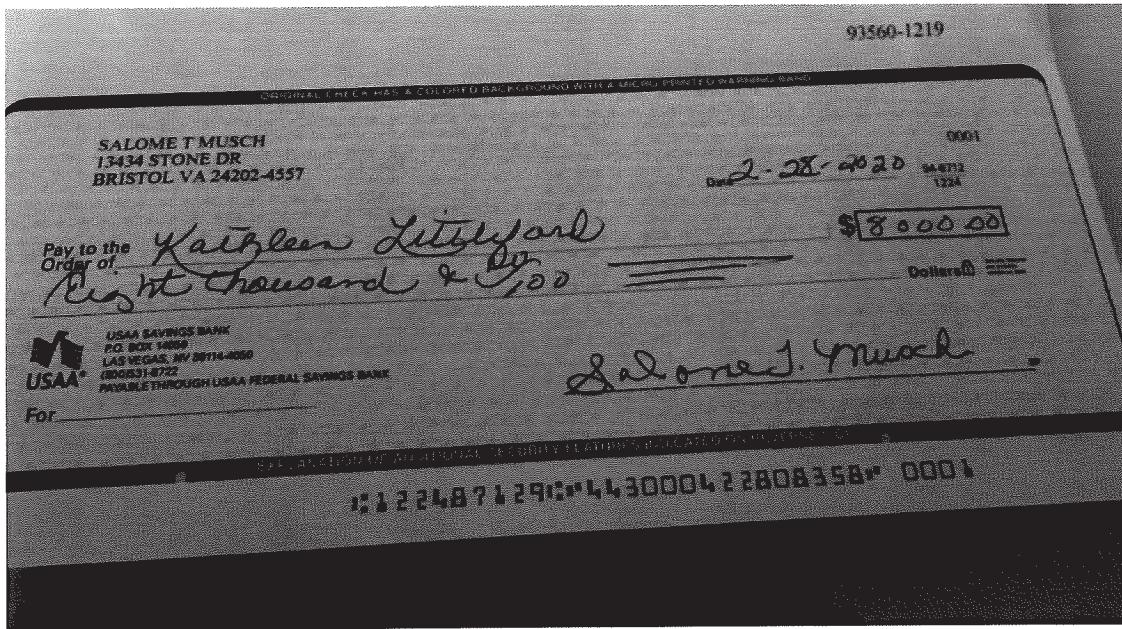
If that happens I was going to ask Darren if he would had his fiancé order a cashiers check .
And I would send the checks back to Darren.

Participant	Delivered	Read	Played
+16173567326			

Status: Sent

2/28/2020 10:05:29 AM(UTC-5)

h. Despite her concerns, LITTLEFORD forged a counterfeit check by writing a check payable to herself in the amount of \$8,000.00 and fraudulently signing the name "Salome T. Musch." She then took the check to a bank and attempted to deposit the forged check.



i. LITTLEFORD's attempt to deposit the check was unsuccessful because the bank manager expressed concern that the address reflected LITTLEFORD's known address. LITTLEFORD immediately reported back to "Peterson" that her attempt to deposit the forged check was unsuccessful:

(owner)
To: +16173567326

Ok , I just left the bank, I was right Frank,
First of all I wasn't allowed to deposit the check
Thur the ATM.
So I was told to go Thur the drive Thur. I did, the bank manager would not accept the check
for deposit because on the upper left hand side the manger said that since my address was
on the check BUT the name above the check wasn't my name
Then she wouldn't accept the check.

I knew that would happen, I asked Darren about it and you.

But the bank would not accept the check.

Participant	Delivered	Read	Played
+16173567326			

Status: Sent 2/28/2020 10:59:05 AM(UTC-5)

Bank of Marion

- a. In October 2019, LITTLEFORD opened a checking account with the Bank of Marion in Bristol, Virginia.
- b. When asked by law enforcement as to the purpose and use of this bank account, LITTLEFORD maintained that this account was used entirely for her own purposes and had absolutely nothing to do with "Peterson". This statement to law enforcement officers was a false statement and fraudulent misrepresentation.

c. LITTLEFORD provided the bank routing number and account number to "Peterson" for the purpose of allowing "Peterson" to wire funds into LITTLEFORD's account. LITTLEFORD then withdraw the funds in cash and overnighed via UPS large sums of cash to various individuals as directed by "Peterson". LITTLEFORD engaged in the following fraudulent bank activity:

i. On February 5, 2020, LITTLEFORD received a wire transfer into her Bank of Marion account in the amount of **\$1,800.00** from an individual identified as Alan Gerstenzang. LITTLEFORD did not know Alan Gerstenzang but accepted the wire transfer because "Peterson" told her to.

ii. On February 21, 2020, LITTLEFORD received a wire transfer into her Bank of Marion account in the amount of **\$500.00** from an individual identified as Thomas McCracken. LITTLEFORD did not know Thomas McCracken but accepted the wire transfer because "Peterson" told her to.

iii. In May 2020, LITTLEFORD received an attempted deposit by the Washington State Employment Commission in the amount of **\$5,688.00**. The attempted deposit included a name other than LITTLEFORD's. When questioned by the bank, LITTLEFORD admitted that she had agreed to help a "friend" receive unemployment payments. This attempted deposit was rejected by the bank because it was directed to a name other than LITTLEFORD's.

iv. In May 2020, LITTLEFORD received two wire transfers, each in the amount of **\$5,000.00**, from a USAA bank account purporting to originate from "Alicia Wanek". Upon notification by USAA that these were fraudulent transfers, Bank of Marion rejected the wire transfers.

v. Between January 2020 and May 2020, LITTLEFORD wrote eight checks for "cash" totaling approximately **\$11,154.00**.

vi. Due to the fraudulent wire transfers outlined above, Bank of Marion closed LITTLEFORD's accounts in June, 2020.

d. Between January 2020 and June 2020, LITTLEFORD packaged and overnighted cash via UPS overnight delivery to various individuals on at least 13 different occasions. On each occasion, LITTLEFORD shipped cash to individuals as instructed by "Peterson", including "Alan Gerstenzang" whom LITTLEFORD admitted to not knowing. On each occasion, LITTLEFORD described the contents of the package as "documents" and signed a UPS Terms and Conditions document acknowledging that she was not shipping U.S. currency. LITTLEFORD intentionally falsified this document to avoid being detected.

Lee Bank & Trust

a. In May 2020, before the closure of her account at Bank of Marion, LITTLEFORD opened a checking account with Lee Bank & Trust in Bristol, Virginia. LITTLEFORD opened this account at the direction of "Peterson" and for the sole purpose of facilitating "Peterson's" fraudulent financial transactions. LITTLEFORD engaged in the following fraudulent bank activity using her Lee Bank & Trust account:

i. Immediately upon opening the account, LITTLEFORD received numerous test deposits from various banking institutions. These test deposits were received for the purpose of testing the ability of LITTLEFORD's checking account to send and receive money between financial institutions.

ii. In May 2020, LITTLEFORD received a deposit from PayPal in the amount of **\$1,760.32**.

iii. In May 2020, LITTLEFORD received a wire transfer in the amount of **\$25,000.00** from a USAA bank account purporting to originate from "Nancy McCadden". "Peterson" told LITTLEFORD that this wire transfer was from the sale of stocks and was being transferred from his stockbroker. Despite this, LITTLEFORD told bank employees that "Nancy McCadden" was *her* stockbroker. LITTLEFORD admitted to law enforcement that she said "Nancy McCadden" was her stockbroker because she was scared and nervous.

iv. Just four days later, in June 2020, LITTLEFORD received a second wire transfer in the amount of **\$25,000.00** from a USAA bank account purporting to originate from "Nancy McCadden".

v. Days later, LITTLEFORD wrote checks for "cash" on three sequential days in the amount of **\$15,000.00** (June 8, 2020), **\$10,000.00** (June 9, 2020), and **\$15,000.00** (June 10, 2020).

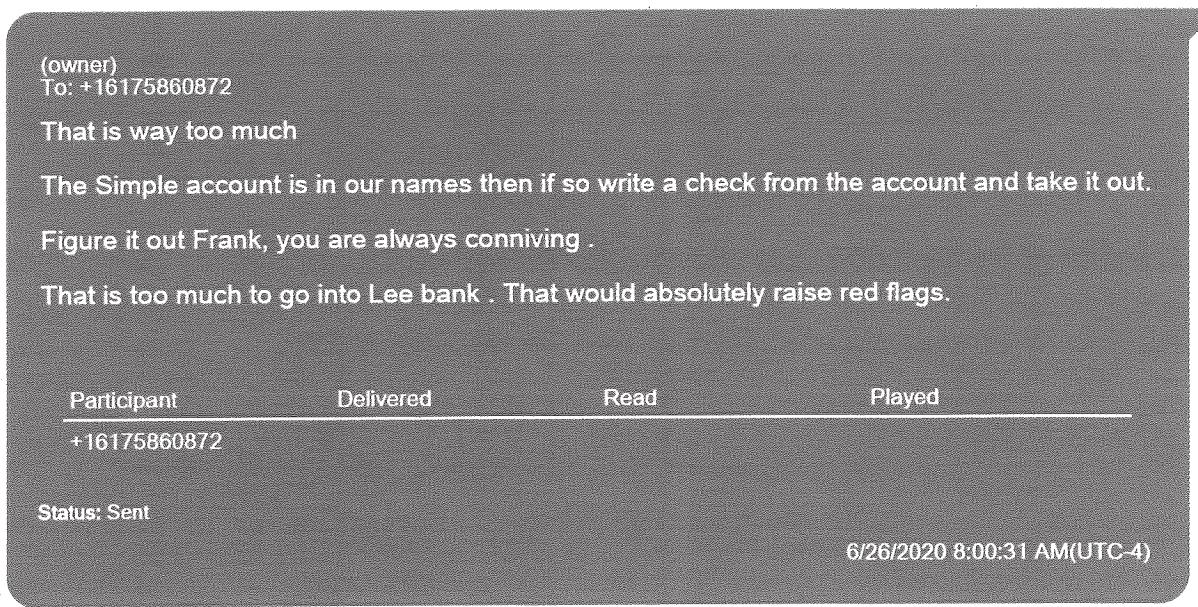
vi. In June 2020, LITTLEFORD received a credit from a financial institution called "ETORO" in the amount of **\$2,285.00**.

vii. From June-July 2020, LITTLEFORD transferred money out to "ETORO" on five separate occasions totaling **\$32,277.00**.

viii. In June 2020, LITTLEFORD received two separate wire transfers, each in the amount of **\$5,000.00 (totaling \$10,000.00)**, from a USAA bank account again purporting to originate from "Alicia Wanek". Upon notification by USAA that these were fraudulent transfers, Lee Bank & Trust rejected the wire transfers.

“Peterson” told LITTLEFORD that “Wanek” was “McCadden’s” sister and because “McCadden” was quarantined with COVID-19, “Wanek” was sending his money to LITTLEFORD.

ix. In June 2020, LITTLEFORD deposited a check drawn on her account from “SIMPLE BBVA Bank” in the amount of **\$34,500.00**. LITTLEFORD knew that depositing such a large check would draw scrutiny with banking officials. On June 26, 2020, LITTLEFORD sent the following text message to “Peterson”:



x. In July 2020, LITTLEFORD deposited a second check drawn on her account from “SIMPLE BBVA Bank” in the amount of **\$34,500.00**.

xi. Following these deposits, in July 2020 LITTLEFORD wrote three separate checks for cash in the amount of **\$15,000.00** (July 17, 2020), **\$9,425.000** (July 20, 2020), and **\$9,425.00** (July 20, 2020). The two checks written in the amount of \$9,425.00 were structured to avoid being reported as required by law on a currency transaction report.

b. Between June 2020 and November 2020, LITTLEFORD packaged and overnighted cash via UPS overnight delivery to various individuals on at least seven more occasions. On each occasion, LITTLEFORD shipped cash to individuals as instructed by "Peterson". On each occasion, LITTLEFORD described the contents of the package as "documents" and signed a UPS Terms and Conditions document acknowledging that she was not shipping U.S. currency. LITTLEFORD intentionally falsified this document to avoid being detected.

BBVA SIMPLE Bank

i. In June 2020, using personal and confidential information provided to him by LITTLEFORD, "Peterson" opened a checking account with BBVA SIMPLE Bank in Birmingham, Alabama. This account was opened entirely for the purpose of facilitating the scheme and artifice orchestrated by "Peterson".

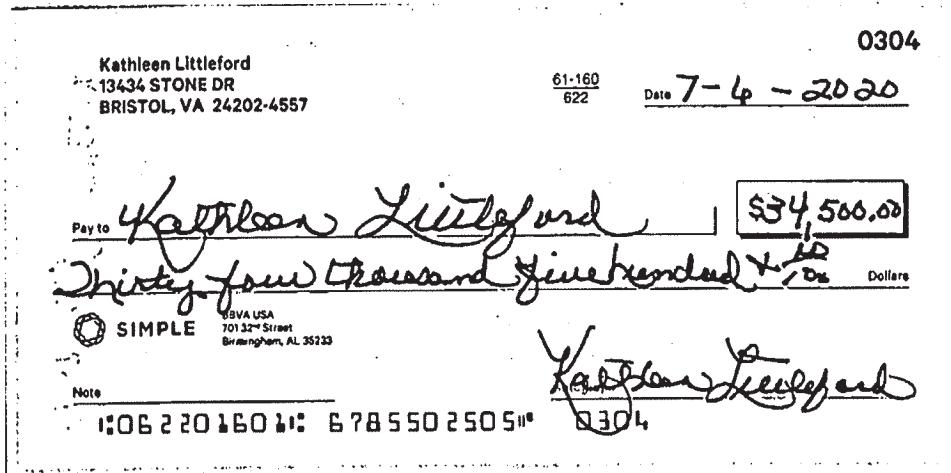
ii. Immediately upon opening the account, LITTLEFORD received numerous test deposits from various banking institutions. These test deposits were received for the purpose of testing the ability of LITTLEFORD's checking account to send and receive money between financial institutions.

iii. In June 2020, LITTLEFORD received eight separate internet check deposits from accounts purporting to come from USAA Bank. Each deposit was made in the amount of **\$5,000.00**, totaling **\$40,000.00**.

iv. In June 2020, LITTLEFORD transferred **\$4,900.00** to her Lee Bank & Trust account.

v. In June 2020, LITTLEFORD used a debit card from this account to make personal purchases at Food City and Dollar General.

vi. On July 6, 2020, LITTLEFORD received two credits from an unknown source, each in the amount of \$17,964.00. These deposits totaled **\$35,928.00**. In reliance on these deposits, LITTLEFORD then transferred **\$34,500.00** to her Lee Bank & Trust Account via the following check:



8. Over the course of the continuing scheme, LITTLEFORD expressed an understanding that what she was doing was wrong and that she could get in trouble for her participation:

From: +12765916312 Kathleen Distefano Littleford (owner)
To: +16175860872

Frank , do you realize the danger you av put me in?
And I also need money
I don't want to be in trouble for this. This is your stuff.
This is terrible

Participant	Delivered	Read	Played
+16175860872			

Status: Sent

7/26/2020 5:48:07 AM(UTC-4)

Despite this, LITTLEFORD persisted in receiving and transferring funds, then withdrawing cash and mailing currency to various individuals as directed by "Peterson."

9. In furtherance of this scheme or artifice, LITTLEFORD fraudulently received funds totaling **\$190,000**.

10. Citizen's Bank, Bank of Marion, Lee Bank & Trust, USAA Bank, and BBVA SIMPLE Bank are all financial institutions as defined by statute in reference to violations of 18 U.S.C. § 1344.

COUNT ONE

(Conspiracy to Commit Bank Fraud)

The United States Attorney Charges that:

1. The information in the introduction is realleged and incorporated by reference.
2. Between on or about February 1, 2019 and on or about November 17, 2020, in the Western District of Virginia, KATHLEEN LITTLEFORD and others knowingly conspired to knowingly execute a scheme or artifice to defraud financial institutions and to obtain money and funds owned by, or under the custody and control of, financial institutions by means of false or fraudulent pretenses, representations, or promises.

3. For the purpose of executing this scheme or artifice, LITTLEFORD knowingly received funds derived from fraudulent means or activities into accounts at the following financial institutions:

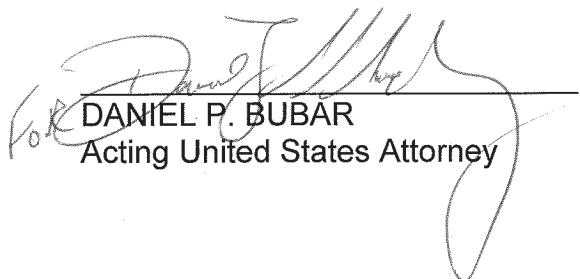
- a. Bank of Marion
- b. Lee Bank & Trust
- c. BBVA Simple Bank
- d. Citizens Bank

e. USAA Bank

4. For the purpose of executing this scheme or artifice, LITTLEFORD withdrew funds and shipped U.S. currency to various individuals on numerous occasions using a commercial interstate carrier.

5. All in violation of 18 U.S.C § 1349 and 18 U.S.C. § 1344.

DATE: 12/22/2020


DANIEL P. BUBAR
Acting United States Attorney